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UNIVERSITY OF VIRGINIA
THE COLGATE DARDEN GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
Tayloe Murphy Institute

Virginia Gross State Product, 1958-1980

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The estimates of Virginia gross state product (GSP) contained in this report for years prior to 1980 are all revised from the previous report, with the exception of farming, which is revised only for the years 1977 through 1979. The extensive revisions of GSP are the result of a benchmark revision of the national income and product accounts by the U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Wealth Division. The 1980 estimates were prepared by a modified methodology, first used in the 1958-1979 report, and should be regarded as preliminary.

Gross state product is an estimate of the value of all goods and services produced in the state in one year. For purposes of comparison, GSP may be regarded as the state equivalent of gross national product (GNP). The figures in this report supersede those published in earlier reports of the Tayloe Murphy Institute. The special derivation of farm product is described below. A statement of the complete methodology is available on request.

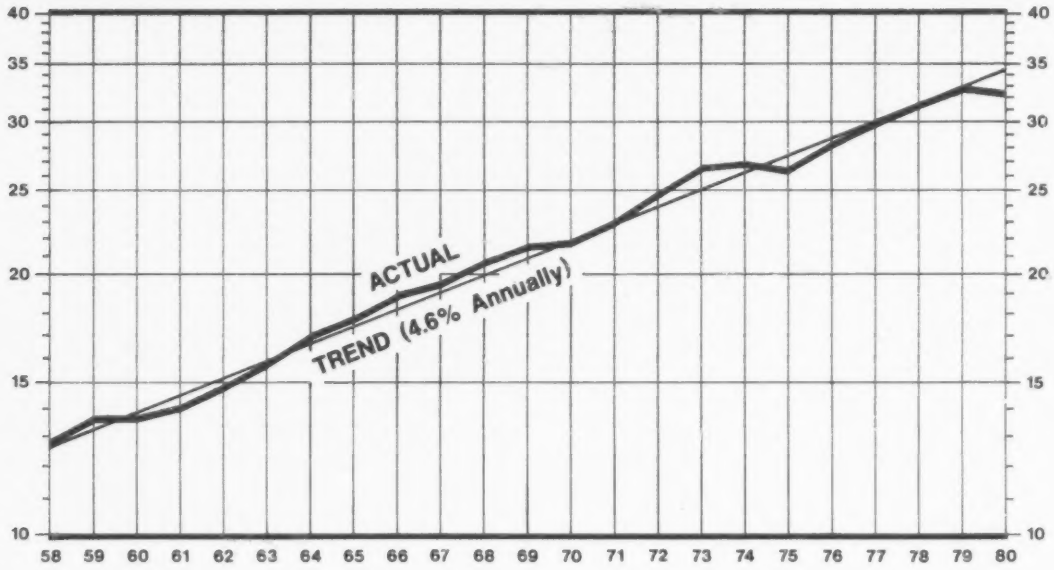
In current dollars (unadjusted for inflation), Virginia GSP rose from $8.2 billion in 1958 to $56.9 billion in 1980 (see Table 1). Average annual growth over the period was 9.4 percent.

Real Virginia GSP (gross state product converted to 1972 dollars of constant purchasing power) grew from $12.7 billion in 1958 to $32.3 billion in 1980 (see Table 2 and Figure 1). Average annual growth over the entire period was 4.6 percent. There were two declines in real GSP over the twenty-two year period, a drop of 1.7 percent from 1974 to 1975 and one of 1.3 percent from 1979 to 1980. At the national level, real GNP declined in 1969-70, 1973-75, and 1979-80. Recognized national recessions occurred in all three periods.

Average annual percentage increases over the twenty-two year period were greater for real Virginia GSP than for real GNP, as shown in the tabulation below. There was a pattern of deceleration in real growth at both the state and the national level.

	Average Annual Change (%)		
	Virginia Real GSP	Real GNP	Ratio of Real GSP to Real GNP
1958-65	4.8	4.4	1.09:1
1965-72	4.5	3.1	1.45:1
1972-80	3.7	3.0	1.23:1

Figure 1.
Virginia Gross State Product, 1958-1980 (billions of 1972 dollars)

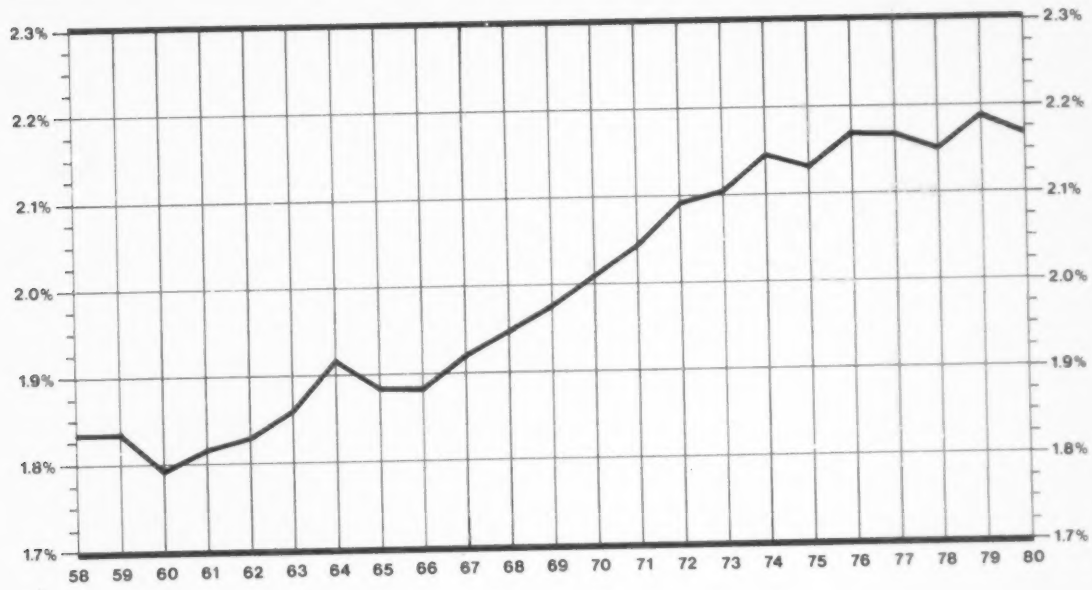


Virginia's current dollar GSP as a percent of GNP is shown in Table 3. Total GSP rose from 1.8 percent of GNP in 1958 to 2.2 percent in 1980. In recent years the state failed to make any significant gain in its share of GNP (see Figure 2). Component series were more variable. Farming in Virginia actually fell as a percent of U.S. farming, from 1.8 percent to 1.2 percent. Construction rose from 1.8 percent to 2.6 percent by 1974, then fell to 2.3 percent by 1980. Finance, insurance, and real estate had a high point of 1.9 percent in 1974, and again in 1977, 1978, and 1979. Government peaked in 1969 at 3.9 percent of the national total. Mining was at its highest, as a percentage of the U.S. total, in 1973. For transportation and public utilities, 1976 was the peak year. Manufacturing, services, and trade experienced substantial and fairly consistant gains in their share of national counterparts.

Among industrial components of real Virginia GSP, manufacturing rose from 18.4 percent of the total in 1958 to 21.3 percent in 1980; trade from 13.2 percent to 14.6 percent; finance, insurance, and real estate from 11.0 percent to 13.3 percent; transportation and public utilities from 7.8 percent to 9.3 percent; and services and other industries from 11.3 percent to 14.2 percent. The industrial sectors that decreased their shares of real GSP over the same period were mining (1.3 to 1.1 percent), construction (6.0 to 3.9 percent), government (27.0 to 20.7 percent), and farming (3.9 to 1.4 percent).

Although both construction and government grew overall in real product over the twenty-two year period--with declines in only four years for construction and three for government--both accounted for smaller shares of real GSP in 1980 than in 1958.

Figure 2.
Virginia GSP in Current Dollars as a Percent of GNP, 1958-1980



Source: Table 3.

In current dollars, the industrial divisions that grew faster than the state annual average of 9.4 percent were services, 11.4 percent; mining, 11.0 percent; construction, 9.8 percent; finance, insurance, and real estate, 9.7 percent; and trade and government, 9.6 percent each. The slower growing sectors were transportation and public utilities which grew by 8.9 percent, manufacturing by 8.5 percent, and farming by 4.5 percent.

Virginia GSP per capita (current dollars) grew from $2,105 in 1958 to $10,646 in 1980, while current dollar GNP per capita grew from $2,581 to $11,561 (see Table 4). Virginia GSP per capita as a percent of GNP per capita (both current dollar and real) was in the low 80's until the middle of the twenty-two year period and stood in the low to mid 90's for the last ten years of the period.

Gross farm product, a component of Virginia gross state product, is derived from the U.S. Department of Agriculture's state farm income statistics for Virginia. The concept of gross farm product is different from realized gross farm income and is different also from realized net farm income. The intermediate figures, "value of total farm output" and "intermediate production expenses," are composed of specially selected statistics for consistency with the composition of GNP. Government payments are omitted from the income side and hired farm labor is omitted from the expenditures side--in other words, farm wages are included in the gross product figure. The following table illustrates the computation of Virginia gross farm product for 1980 (current dollars).

	Millions of Dollars
Value of total farm output	
Cash receipts from marketings	1,459.5
Nonmonetary income	262.5
Other farm income	27.7
Net rent to nonoperating landlords	(19.0)
Net change in inventories	19.8
Subtotal	1,750.5
Less: Intermediate production expenses	
Feed	260.2
Livestock, purchased	45.1
Seed, plants, and bulbs	43.9
Fertilizer and lime	125.3
Repairs and operations of capital items	232.7
Miscellaneous operating expenses	236.7
Subtotal	943.9
Gross farm product	806.6

Table 1.
Virginia Gross State Product in Current Dollars, 1958-1980 (millions of dollars)

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Government	Manufacturing	Mining	Services[a/]	Trade	Transportation and Public Utilities
1958	8,239.2	380.9	379.1	963.8	1,706.7	1,892.0	165.6	798.2	1,178.3	774.6
1959	8,916.3	413.8	322.8	1,011.9	1,820.9	2,147.1	173.3	879.1	1,302.5	844.9
1960	9,119.7	421.7	342.4	1,068.7	1,811.6	2,155.8	175.4	925.0	1,342.2	876.9
1961	9,520.3	465.2	345.1	1,128.8	1,925.6	2,228.8	173.5	967.4	1,392.5	894.0
1962	10,291.3	518.9	342.5	1,220.5	2,058.0	2,470.9	179.0	1,058.9	1,497.7	944.9
1963	11,056.4	593.9	261.8	1,347.7	2,288.8	2,607.7	193.4	1,166.3	1,588.9	1,007.9
1964	12,200.6	650.0	341.5	1,448.8	2,519.7	2,926.7	198.7	1,282.7	1,756.4	1,076.1
1965	13,038.6	727.1	338.9	1,569.6	2,649.3	3,098.0	194.4	1,388.0	1,912.4	1,160.9
1966	14,199.9	768.6	293.7	1,712.0	3,028.3	3,367.5	203.7	1,521.8	2,051.6	1,252.7
1967	15,344.5	773.0	340.3	1,827.2	3,500.4	3,471.4	212.1	1,681.9	2,206.3	1,321.9
1968	17,048.7	852.2	322.2	1,994.4	3,923.3	3,934.6	267.7	1,860.3	2,468.9	1,425.1
1969	18,711.0	953.8	357.6	2,195.5	4,549.9	4,087.0	257.6	2,046.4	2,733.1	1,530.1
1970	19,973.3	1,057.4	368.1	2,345.7	4,780.9	4,173.9	356.3	2,263.6	2,941.8	1,685.6
1971	21,926.7	1,189.9	369.3	2,642.8	5,173.7	4,516.4	362.1	2,508.1	3,280.1	1,884.3
1972	24,713.3	1,380.5	453.7	2,973.0	5,597.9	5,261.1	408.8	2,850.1	3,658.9	2,129.3
1973	27,886.8	1,651.5	621.5	3,397.8	6,064.9	5,813.3	469.2	3,305.0	4,172.2	2,391.4
1974	30,676.8	1,777.9	597.3	3,736.1	6,644.0	6,388.5	650.2	3,755.7	4,569.8	2,557.3
1975	32,912.1	1,757.1	597.1	3,924.9	7,290.4	6,452.5	796.0	4,166.4	5,098.7	2,829.0
1976	37,154.6	1,881.9	566.7	4,343.9	7,877.8	7,969.5	789.5	4,826.7	5,653.0	3,245.6
1977	41,843.0	2,095.7	510.0	5,192.6	8,825.4	8,913.6	977.3	5,471.4	6,241.7	3,615.3
1978	46,644.3	2,347.8	786.7	5,861.3	9,726.6	9,863.8	971.5	6,239.3	6,864.6	3,982.7
1979	52,832.3	2,684.8	870.2	6,526.2	10,537.6	10,727.5	1,211.5	8,337.0	7,572.6	4,364.9
1980	56,922.1	2,804.1	806.6	7,104.5	11,362.0	11,609.8	1,583.6	8,542.1	8,198.4	4,911.0

Sources: National Income and Product Accounts, 1976-79, Special Supplement to the Survey of Current Business, (July 1981), pp. 50-51; The National Income and Product Accounts of the United States, 1929-76, Statistical Tables, Supplement to the Survey of Current Business (1981), Table 6.3B: unpublished tabulations and special information from the U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Wealth Division; Survey of Current Business, Vol. 61, No. 7 (July 1981), pp. 30, 32, 58, 59; unpublished tabulations of personal income by source, dated August 1981, from the U.S. Department of Commerce, Bureau of Economic Analysis, Economic Measurements Division; U.S. Department of Commerce, Bureau of the Census, Annual Survey of Manufacturers, (selected editions); 1977 Census of Manufacturers, U.S. Department of Agriculture, Economic and Statistics Service, Indicators of the Farm Sector: State Income and Balance Sheet Statistics, 1979, plus special information from ESS.

a/ Includes agricultural services, forestry and fisheries, and "rest of the world," which includes operations of foreign governments and international organizations in the United States.

Table 2.
Virginia Gross State Product in Constant Dollars, 1958-1980 (millions of 1972 dollars)

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Government	Manufacturing	Mining	Services[a/]	Trade	Transportation and Public Utilities
1958	12,741.6	764.9	502.9	1,402.4	3,440.9	2,341.6	169.5	1,438.2	1,688.1	993.1
1959	13,582.6	824.3	458.5	1,481.6	3,591.5	2,602.5	187.4	1,531.5	1,834.5	1,070.8
1960	13,622.9	836.7	488.9	1,531.1	3,463.9	2,575.6	188.0	1,567.8	1,872.0	1,098.9
1961	13,952.6	903.3	496.0	1,605.7	3,488.4	2,653.3	185.0	1,601.7	1,912.8	1,106.4
1962	14,722.2	979.1	477.3	1,716.6	3,524.0	2,920.7	195.0	1,697.0	2,054.5	1,158.0
1963	15,674.3	1,083.8	375.9	1,846.2	3,776.9	3,149.4	215.4	1,822.3	2,167.7	1,236.7
1964	16,928.1	1,136.4	506.0	1,944.7	4,012.3	3,534.7	224.0	1,934.7	2,332.5	1,302.8
1965	17,763.6	1,205.8	468.7	2,057.1	4,152.5	3,710.2	226.3	2,014.5	2,519.6	1,408.9
1966	18,739.1	1,169.9	361.4	2,164.3	4,567.6	3,961.8	238.0	2,113.6	2,640.4	1,522.1
1967	19,499.6	1,101.1	461.7	2,231.0	4,958.1	3,971.9	245.8	2,242.5	2,713.8	1,573.7
1968	20,617.5	1,173.8	414.3	2,346.4	5,082.0	4,347.6	307.3	2,342.9	2,904.6	1,698.6
1969	21,493.2	1,149.2	426.9	2,512.0	5,501.7	4,413.6	291.4	2,407.5	3,020.0	1,770.9
1970	21,750.5	1,154.4	434.3	2,566.4	5,402.1	4,320.8	382.7	2,506.8	3,116.3	1,866.7
1971	22,906.6	1,286.4	431.5	2,747.2	5,593.2	4,539.1	383.2	2,607.2	3,353.9	1,964.9
1972	24,713.3	1,380.5	453.7	2,973.0	5,597.9	5,261.1	408.8	2,850.1	3,658.9	2,129.3
1973	26,401.5	1,497.3	391.6	3,257.7	5,626.1	5,795.9	413.8	3,126.8	3,977.3	2,315.0
1974	26,772.9	1,369.7	385.5	3,412.0	5,812.8	5,844.9	388.2	3,314.8	3,915.9	2,329.1
1975	26,321.0	1,214.3	422.1	3,413.0	5,966.0	5,216.2	386.8	3,322.5	4,014.7	2,365.4
1976	28,119.4	1,296.1	415.9	3,546.0	6,140.1	6,163.5	351.0	3,588.6	4,096.4	2,521.8
1977	29,969.1	1,337.4	394.7	3,957.8	6,432.5	6,530.1	397.4	3,796.9	4,467.9	2,654.4
1978	31,313.0	1,381.9	473.8	4,136.4	6,666.6	6,783.9	372.1	4,043.6	4,679.3	2,775.4
1979	32,745.9	1,383.2	451.5	4,232.3	6,733.3	6,929.9	367.1	4,947.8	4,792.8	2,908.0
1980	32,307.3	1,274.0	458.0	4,285.0	6,683.5	6,894.2	371.0	4,602.4	4,722.6	3,016.6

Source: The sources cited in Table 1, plus Table 7.22 in each of the two supplements to the Survey of Current Business as cited in those sources. U.S. Department of Labor, Bureau of Labor Statistics, Handbook of Labor Statistics (selected editions); U.S. Department of Commerce, Bureau of the Census, Public Employment in 19__ (selected editions); U.S. Department of Agriculture, Economics and Statistics Service, Agricultural Prices, Annual Summary 1980 (June 1981), pp. 8, 28-35.

a/ Includes agricultural services, forestry and fisheries, and "rest of the world," which includes operations of foreign governments and international organizations in the United States.

Table 3.
Virginia GSP in Current Dollars as a Percent of GNP by Industrial Division, 1958-1980

Year	Total	Construction	Farming	Finance, Insurance, and Real Estate	Government	Manufacturing	Mining	Services[a/]	Trade	Transportation and Public Utilities
1958	1.833	1.815	1.832	1.545	3.622	1.528	1.334	1.718	1.567	1.916
1959	1.823	1.812	1.696	1.503	3.639	1.520	1.411	1.730	1.590	1.933
1960	1.792	1.814	1.697	1.492	3.390	1.499	1.394	1.713	1.594	1.913
1961	1.815	1.936	1.710	1.497	3.395	1.543	1.365	1.683	1.613	1.886
1962	1.828	2.022	1.679	1.515	3.367	1.565	1.399	1.702	1.626	1.883
1963	1.858	2.168	1.279	1.580	3.475	1.558	1.481	1.754	1.653	1.903
1964	1.914	2.179	1.773	1.593	3.541	1.631	1.480	1.770	1.677	1.912
1965	1.883	2.216	1.548	1.602	3.454	1.567	1.439	1.766	1.699	1.918
1966	1.882	2.143	1.287	1.616	3.505	1.554	1.440	1.769	1.688	1.919
1967	1.918	2.062	1.542	1.600	3.634	1.562	1.448	1.786	1.696	1.928
1968	1.947	2.064	1.429	1.611	3.630	1.621	1.745	1.801	1.710	1.927
1969	1.974	2.059	1.427	1.643	3.851	1.592	1.600	1.781	1.740	1.912
1970	2.009	2.160	1.428	1.647	3.665	1.655	2.022	1.816	1.766	1.968
1971	2.043	2.221	1.339	1.690	3.649	1.700	2.080	1.846	1.808	2.008
1972	2.090	2.325	1.422	1.751	3.603	1.799	2.151	1.889	1.834	2.042
1973	2.104	2.490	1.246	1.837	3.615	1.783	2.157	1.910	1.883	2.093
1974	2.145	2.570	1.251	1.850	3.638	1.875	2.018	1.959	1.893	2.081
1975	2.132	2.514	1.222	1.816	3.609	1.802	2.050	2.004	1.915	2.085
1976	2.169	2.455	1.235	1.821	3.574	1.942	1.838	2.063	1.940	2.127
1977	2.168	2.416	1.071	1.895	3.721	1.928	2.010	2.072	1.935	2.120
1978	2.151	2.350	1.358	1.890	3.752	1.901	1.812	2.067	1.932	2.066
1979	2.189	2.375	1.243	1.861	3.754	1.884	1.747	2.351	1.932	2.062
1980	2.168	2.343	1.184	1.812	3.745	1.964	1.682	2.124	1.944	2.095

Source: Same as Table 1.

a/ Includes agricultural services, forestry and fisheries, and "rest of the world," which includes operations of foreign governments and international organizations in the United States.

Table 4.
Virginia GSP Per Capita and GNP Per Capita, 1958-1980
(current and 1972 dollars)

Year	Current Dollars			1972 Dollars		
	Virginia Per Capita	U.S. Per Capita	Virginia as a % of U.S.	Virginia Per Capita	U.S. Per Capita	Virginia as a % of U.S.
1958	2,105	2,581	82	3,255	3,882	84
1959	2,257	2,762	82	3,438	4,063	85
1960	2,288	2,828	81	3,418	4,098	83
1961	2,325	2,868	81	3,407	4,112	83
1962	2,462	3,031	81	3,522	4,277	82
1963	2,586	3,158	82	3,666	4,414	83
1964	2,800	3,337	84	3,885	4,577	85
1965	2,956	3,578	83	4,027	4,800	84
1966	3,187	3,860	83	4,205	5,014	84
1967	3,402	4,053	84	4,326	5,092	85
1968	3,740	4,393	85	4,523	5,291	85
1969	4,055	4,709	86	4,658	5,402	86
1970	4,286	4,874	88	4,667	5,307	88
1971	4,649	5,190	90	4,857	5,400	90
1972	5,176	5,678	91	5,176	5,678	91
1973	5,750	6,272	92	5,444	5,943	92
1974	6,248	6,705	93	5,453	5,858	93
1975	6,608	7,165	92	5,284	5,716	92
1976	7,354	7,873	93	5,566	5,951	94
1977	8,213	8,708	94	5,882	6,203	95
1978	8,933	9,679	92	6,048	6,449	94
1979	10,166	10,749	95	6,301	6,604	95
1980	10,646[a/]	11,561	92	6,042[a/]	6,518	93

Source: Tables 1 and 2 and population reports from the U.S. Bureau of the Census and the Tayloe Murphy Institute for the years included.

a/ Based on the revised Census population figure for Virginia (April 1, 1980). All other per capita estimates are based on July 1 population estimates.

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